Waste Assets Management Corporation

Annual Report 2017-18

- Financial statements for the year ended 30 June 2018
- Statutory information

Waste Assets Management Corporation
Wallgrove Road, Eastern Creek, NSW 2766
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The Hon Victor Dominello, MP
Minister for Finance, Services and Property
GPO Box, 5341
SYDNEY NSW 2001

Dear Minister,

Waste Assets Management Corporation Annual Report 2017-18

I am pleased to submit the Annual Report for Waste Assets Management Corporation, for the year ended 30 June 2018, for presentation to Parliament.

This report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and regulations under those Acts.

Regards,

Adam Howarth
Chief Executive
Waste Assets Management Corporation

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1. Charter

The Waste Assets Management Corporation (WAMC) is a statutory corporation created under Section 16 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010*, which commenced on 23 March 2010. Section 16(3) of the Act outlines the following functions:

- to hold, on behalf of the Crown, WSN Environmental Solutions (WSN) assets acquired by it or transferred to it by or under this or any other Act and to conduct businesses, provide services and carry on activities that relate to or are incidental to the management of any WSN assets held by it
- to undertake, on behalf of the Crown, the development for any purpose for the benefit of the State of any land comprising WSN assets held by it
- such other functions in connection with WSN assets held by it as may be prescribed by the regulations
- such other functions as may be conferred or imposed on the corporation by or under this or any other Act.

Since 3 April 2011, and according to clause 4(1)(a) of the *Public Sector Employment and Management (Waste Assets Management Corporation) Order 2011*, WAMC has been subject to the control and direction of the Minister for Finance, Services and Property (section 16 (2)).

Pursuant to clause 6 of Schedule 5 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010,* the Treasurer has designated that the WAMC annual report be included with the Property and Advisory Group annual report.

2. Aims and objectives

In parallel with the sale of the Waste Recycling and Processing Corporation (trading as WSN Environmental Solutions) to the private sector (SUEZ/SITA Australia), various assets, rights and liabilities of the former WSN were vested in WAMC effective from 31 January 2011.

Under those arrangements, WAMC took ownership of certain WSN landfills and other sites, as well as plant and equipment located at those sites, and, in some cases, the sites' contractual obligations and liabilities. WAMC conducts its operations to achieve the following objectives:

- maximise efficiency of its landfill operations and other commercial activities
- protect the environment in compliance with the *Protection of the Environment Operations (POEO) Act 1997*
- maintain a strong working relationship with all stakeholders
- ensure sound operating practices that deliver safe and healthy workplaces for employees, customers and visitors to its sites.

The landfill sites vested to WAMC all have the potential to impose significant environmental impacts. Some closed sites are currently public recreation space and others are likely to become public amenities in future.

WAMC provides specialised operational management in the following areas:

- closure of the Eastern Creek 2 landfill, and managing its rehabilitation and maintenance, post-closure in September 2017

- managing the rehabilitation and maintenance of nine closed landfill sites at Thornleigh, Merrylands, Grange Avenue, Eastern Creek 1, Eastern Creek 2, Castlereagh, Harrington Quarry, Belrose and Lucas Heights 1
- managing the ongoing lease of land at Auburn for operation (by Suez) of a waste transfer station and liquid waste treatment plant
- monitoring and managing leachate treatment facilities at both the open and closed landfill sites
- managing joint venture landfill gas and energy systems to supply electricity into the grid as a sustainable and renewable energy source
- identifying and implementing beneficial reuse of rehabilitated landfill sites, such as construction of a public access bike park over a portion of Belrose landfill

With the closure of the Eastern Creek 2 landfill site, WAMC has moved into a rehabilitation stage and is now focussed on ensuring that any potential environmental risks are managed and controlled and the potential for reuse of the land is realised as soon as practical.

3. Access

Waste Assets Management Corporation
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Core business hours are 8:30am – 5:00pm Monday to Friday.

4. Management and structure

As at 30 June 2018, WAMC's leadership team comprised:

- Adam Howarth, Chief Executive, WAMC
- Peter Graham, Director, Environmental Service Group
- Ezio De Giovanni, Manager, Gas and Leachate
- Judy White, Manager, Occupational Health and Safety and Workplace Health and Safety
- Phillip Stam, Manager, Finance

The team is part of the Portfolio Management Group in Property NSW, part of the Department of Finance, Services and Innovation.

5. Summary review of operations

The Waste Assets Management Corporation (WAMC) operated one open landfill site at Eastern Creek 2, until its closure in September 2017.

WAMC is now managing its rehabilitation and maintenance post closure. This includes installation and maintenance of leachate and gas extraction systems within the landfill. WAMC continues to manage the rehabilitation and maintenance of eight other closed landfill sites at Thornleigh, Merrylands, Grange Avenue, Eastern Creek 1, Castlereagh, Harrington Quarry, Lucas Heights 1 and Belrose.

In addition, WAMC monitors and manages leachate treatment facilities at both the open and closed landfill sites, and manages joint venture landfill gas and energy systems to supply electricity into the grid as a sustainable and renewable energy source.

6. Management and activities

The staff servicing Waste Assets Management Corporation (WAMC) sit within Property NSW's Portfolio Management Group, within the Environmental Services Group. While the landfill site at Eastern Creek has closed, the team continues to meet its obligations in managing site contamination at a number of former landfill sites, including those at Thornleigh, Merrylands, Grange Avenue, Eastern Creek 1, Castlereagh, Harrington Quarry, Belrose and Lucas Heights.

The WAMC team is currently developing a community bike park on the Belrose landfill. Once completed this bike park will be handed over to Northern Beaches Council for ongoing management. An application has also been made to the Office of Environment and Heritage to register a tract of native bushland at the Castlereagh landfill site for bio-banking. The team is also examining other site utilisation projects for other green initiatives and social and community uses.

7. Research and development

WAMC has engaged with UNSW to apply for an Australian Research Council grant to undertake research into remediation of leachate and groundwater impacted by Per and poly fluoroalkyl substances.

A decision on this grant was not made during the 2017/2018 financial period.

8. Human resources

Employment Statistics

Division	2015[1,2]	2016[1,2]	2017[1,2]	2018[1,2]
Senior Executive	2.0	-	-	-
Ongoing	22.8	24.8	17.8	11.0
Temporary	6.0	4.0	1.5	-
Total	**30.8**	**28.8**	**19.3**	**11.0**

[1] Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

[2] Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, 29 June 2017 and 28 June 2018.

	2017[3,4,5]				2018[3,4,5]			
Senior Executive Band	**Female**	**Male**	**Total**	**% Representation by Women**	**Female**	**Male**	**Total**	**% Representation by Women**
Band 4 (Secretary)	0	0	0	**0%**	0	0	0	**0%**
Band 3 (Deputy Secretary)	0	0	0	**0%**	0	0	0	**0%**
Band 2 (Executive Director)	0	0	0	**0%**	0	0	0	**0%**
Band 1 (Director)	0	0	0	**0%**	0	0	0	**0%**
Total	0	0	0	**0%**	0	0	0	**0%**

	2017[6]		2018[6]	
Senior Executive Band	**Range $**	**Average Remuneration $**	**Range $**	**Average Remuneration $**
Band 4 (Secretary)	452,250 - 522,500	0	463,551 - 535,550	0
Band 3 (Deputy Secretary)	320,901 - 452,250	0	328,901 - 463,550	0
Band 2 (Executive Director)	255,051 - 320,900	0	261,451 - 328,900	0
Band 1 (Director)	178,850 - 255,050	0	183,300 - 261,450	0

Employee related costs

Employee related costs 2018	**Amount**
Executive	$0
Non-Executive	$1,524,752
Total	$1,524,752
Ratio Senior Executive	0%

[3] Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.

[4] Statistics are based on Workforce Profile census data as at 29 June 2017 and 28 June 2018.

[5] All employees reported in 2017 and 2018 are appointed under the Government Sector Employment Act. Salary band based on current assignment including those on a temporary above level assignment for more than two months.

[6] Salary ranges effective at the Workforce Profile census dates of 29 June 2017 and 28 June 2018.

9. Workforce Diversity

Trends in the Representation of Workforce Diversity Groups				
Workforce Diversity Group	**Benchmark**	**2016[7,8]**	**2017[7,8]**	**2018[7]**
Women[9]	**50%**	13.8%	15.4%	21.4%
Aboriginal People and/or Torres Strait Islander People[10]	**3.3%**	9.9%	9.9%	7.1%
People whose First Language Spoken as a Child was not English[11]	**23.2%**	10.3%	11.5%	7.1%
People with a Disability[12]	**5.6%**	4.9%	4.9%	0.0%
People with a Disability Requiring Work-Related Adjustment[12]	**N/A**	0.0%	0.0%	0.0%

Trends in the Distribution of Workforce Diversity Groups				
Workforce Diversity Group	**Benchmark[13,14]**	**2016**	**2017**	**2018**
Women	**100**	N/A	N/A	N/A
Aboriginal People and/or Torres Strait Islander People	**100**	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	**100**	N/A	N/A	N/A
People with a Disability	**100**	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	**100**	N/A	N/A	N/A

[7] Statistics are based on Workforce Profile census data as at 30 June 2016, 29 June 2017 and 28 June 2018.

[8] Workforce diversity statistics for 2016 and 2017 reflect the current composition of the department and may vary from those reported in previous annual reports.

[9] The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

[10] The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

[11] A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

[12] In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

[13] A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

[14] The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

10. Disability inclusion action plans

As part of the Department of Finance, Services and Innovation (DFSI), WAMC supports the department's Disability Inclusion Action Plan 2015-18. The plan sets out how DFSI will work towards:

- the development of positive community attitudes and behaviours towards people with disability
- the creation of more liveable communities for people with disability
- the achievement of a higher rate of meaningful employment participation by people with disability through inclusive employment practices
- more equitable access to mainstream services for people with disability through better systems and processes.

11. Payment of accounts

The table below highlights Waste Assets Management Corporation's account payment performance for 2017-18.

Waste Assets Management Corporation

ACCOUNT PAYMENT PERFORMANCE AS AT 2017-18

Total WAMC Entity

ACCOUNT PAYMENT PERFORMANCE PNSW ENTITY - ALL PAYMENTS AS AT 2017-18	FULL YEAR				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
ALL SUPPLIERS					
Value of Invoices Paid ($'000)					
Paid Before Due	$18,657	$1,140	$790	$836	$21,423
<30 Days Overdue	$504	$467	$306	$524	$1,801
>30<60 Days Overdue	$12	$13	$55	$39	$120
>60<90 Days Overdue	$10	$2	$11	$5	$28
>90 Days Overdue	$5	$4	$19	$0	$28
Total Value of Invoices Paid ($'000)	**$19,187**	**$1,627**	**$1,181**	**$1,405**	**$23,399**
% Paid on Time - By Value	**97%**	**70%**	**67%**	**60%**	**92%**
Number of Invoice Paid					
Paid Before Due Date	284	222	195	253	954
Paid Past Due Date	159	102	156	96	513
Total Number of Invoices Paid	**443**	**324**	**351**	**349**	**1,467**
% Paid on Time - By Number	**64%**	**69%**	**56%**	**72%**	**65%**
Interest Paid					
Number of Payments for Interest on:					
Overdue Invoices	-	-	-	-	-
Interest Paid on Over due Invoices	-	-	-	-	-
SMALL BUSINESS SUPPLIERS					
Value of Invoices Paid ($'000)					
Paid Before Due Date	$0	$0	$0	$0	-
<30 Days Overdue	$0	$0	$0	$0	-
>30<60 Days Overdue	$0	$0	$0	$0	-
>60<90 Days Overdue	$0	$0	$0	$0	-
>90 Days Overdue	$0	$0	$0	$0	-
Total Value of Invoices Paid ($'000)	**-**	**-**	**-**	**-**	**-**
Total Value Paid on Time (%)	**0%**	**0%**	**0%**	**0%**	**0%**
Number of Invoices Paid					
Paid Before Due Date	-	-	-	-	-
Paid Past Due Date	-	-	-	-	-
Total Number of Invoices Paid	**-**	**-**	**-**	**-**	**-**
% Paid on Time - By Number	**0%**	**0%**	**0%**	**0%**	**0%**
Interest Paid					
Number of Payments for Interest on:					
Overdue Invoices	-	-	-	-	-
Interest Paid on Over due Invoices	-	-	-	-	-

Small Business has been removed when PNSW move to SAPConnect in November 2017. Small Business needs to reapply. As at 30 June 2018 there is no Small Business classifed in PNSW's Supplier Listing.

12. Risk management and insurance activities

Risk Management

Waste Assets Management Corporation (WAMC) constantly monitors its environment to assess the risks in its operations, and uses its resources to manage these risks. WAMC's approach to risk management seeks to balance risk, cost and growth for the benefits of its stakeholders, by:

- Adopting the DFSI Risk and Resilience Framework to manage strategic and business risks, which is consistent with WAMC's objectives and responsibilities to its stakeholders
- Development of a Risk Management guideline to support the implementation of the DFSI Framework
- Assessing the impact of proposed changes to laws, regulations and industry codes
- Reporting risks to the Audit and Risk Committee, relevant Boards, Executive Committee and senior leadership team.

The DFSI Risk and Resilience Framework has been developed in alignment with:
- NSW Treasury Policy Paper (TPP- 15-03): *Internal Audit and Risk Management Policy for NSW Public Sector*
- Australian/New Zealand Risk Management Standard (AS/NZS ISO31000): *Risk Management Principles and Guidelines*

Key achievements during 2017/18:
- Better integration of risk management with strategic and business planning processes
- Developed risk management system
- Developed standard risk reporting
- Successfully conducted Business Continuity walkthrough exercise
- Completed annual compliance attestation

Insurance Arrangements and Activities

WAMC had insurance arrangements in place for all its assets and major risk. Insurable risk cover was primarily provided through participation in the NSW Treasury Managed Fund (TMF), a NSW Government self-insurance scheme. Insurable risk exposures covered through the TMF includes:

- Workers compensation
- Legal including liability classes like public liability, products liability, professional indemnity, directors and officer liability
- Property including buildings, plant, equipment, and consequential loss
- Motor vehicle
- Other miscellaneous losses, such as the cost of employee dishonesty, personal accident and protection for overseas travel.

The main exposures that are not included are:

- illegal activities
- wear and tear, and inherent vice (Note: *Inherent Vice is an exclusion found in most property insurance policies eliminating coverage if there is a hidden defect in a good or property which causes or contributes to its deterioration, damage, or wastage)*
- pollution (not being sudden and accidental pollution)

Number of claims and net incurred costs

Insurance claims and net incurred cost for Waste Assets Management Corporation for financial year 2016-17 and 2017-18 are shown in the table below:

	Number of Claims		Net incurred cost ($)	
	2016-17	2017-18	2016-17	2017-18
Workers Comp	1	0	$547	-
Property	0	0	-	-
Liability	0	1	-	$350,000
Motor vehicle	2	2	$6,174	$144,840
Miscellaneous	0	0	-	-
Total	**3**	**3**	**$6,721**	**$494,840**

All incurred claims and relevant costs were sourced from the TMF database. They are based on the claims lodged and relevant assessment to date. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported and the outcome of negotiated settlement.

WAMC, as part of Property and Advisory Group (PAG), had an Audit and Risk Committee (ARC) in place during 2017-18 financial year. The Audit and Risk Committee provides independent assistance to the following participating entities by monitoring, reviewing and providing advice about their governance processes, risk management and control framework, and their external accountability requirements:

- Property NSW (PNSW)
- Teacher Housing Authority (THA)
- Waste Assets Management Corporation (WAMC)
- Place Management NSW (PMNSW)
- Luna Park Reserve Trust (LPRT)

The above participating entities have entered into a collaborative shared arrangement and have established a shared Audit and Risk Committee in compliance with:

- NSW Treasury Policy Paper (TPP15-03): *Internal Audit and Risk Management Policy for NSW Public Sector*
- NSW Treasury Policy Paper (TPP16-02): *Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees*.

The committee met five times during the 2017-18 financial year.

DFSI, while not a participating entity, has a special role in providing audit, risk and secretariat services to the committee and the participating entities. This shared arrangement aims to maintain an appropriate level of internal oversight for all participating entities in assurance and independent advice, while minimising the associated administration, financial costs and resources.

Membership
The Chair and members of the Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019
- Mark O'Sullivan, Independent Member, from 25 January 2016 to 24 January 2018
- Nirmal Hansra, Independent Member, from 20 December 2017 to 19 December 2020.

13. Internal audit and risk management policy attestation

Internal Audit and Risk Management Attestation Statement for the 2017-2018 Financial Year for the Waste Assets Management Corporation

I, Adam Howarth, Chief Executive Officer, am of the opinion that the Waste Assets Management Corporation has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The chair and members of the Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020;
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019;
- Nirmal Hansra, Independent Member, from 20 December 2017 to 19 December 2020.

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Luna Park Revenue Trust
- Property NSW
- Teacher Housing Authority
- Waste Assets Management Corporation
- Place Management NSW

Adam Howarth
Chief Executive Officer
Waste Assets Management Corporation

Date: 26/9/18

Agency Contact Officer
Andrew Pilbeam
Chief Audit Executive, 9219 3077
andrew.pilbeam@finance.nsw.gov.au

14. Digital information security policy attestation

Digital Information Security Annual Attestation Statement for the 2017-2018 Financial Year for Waste Assets Management Corporation

I, Adam Howarth, am of the opinion that Waste Assets Management Corporation had an Information Security Management System in place during the 2017-2018 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of Waste Assets Management Corporation are adequate with exception to control deficiencies identified in one of the ICT shared services providers. The service provider has taken some remediation actions to address the control deficiencies and will consult with impacted agencies on action plan to address the remaining deficiencies.

There is no agency under the control of Waste Assets Management Corporation which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

Adam Howarth
Chief Executive Officer
Waste Assets Management Corporation

15. Multicultural Policies and Services Program

Waste Assets Management Corporation (WAMC) utilises Property and Advisory Group's multicultural policies and service programs. These are guided by DFSI's Diversity and Inclusion Strategy, Aboriginal Workforce Strategy, Disability Inclusion Action Plan and the Government Sector Employment Act 2013, which prioritises diversity in the workforce.

At an agency level, Property and Advisory Group promotes multiculturalism and diversity through a range of initiatives, including but not limited to:

- supporting NAIDOC Week through a series of events and initiatives, including a public ceremony featuring members of the Metropolitan Aboriginal Land Council.
- promoting diversity initiatives, including 'Wear it Purple Day', to support the LGBTQI+ community.
- Hosting a detailed calendar of community festivals in Darling Harbour, celebrating multiculturalism.
- The establishment of a Diversity Working Group within Property and Advisory Group (PAG), with an initial focus on women in leadership, and improving PAG's performance against key metrics including Indigenous, English as a second language and ability employee representation.

In addition, the PAG revised Corporate Plan includes a new KPI that women represent at least 35 per cent of the leadership team, an interim milestone to achieving DFSI's target of 50 per cent of women in leadership roles.

16. Work Health and Safety (WHS)

In 2017/18, WAMC continued to take a proactive approach in managing the safety of all employees, other workers, tenants and visitors to its properties, sites and activations.

With the amalgamation of business groups within the Department of Finance, Services and Innovation (DFSI) to create the Property and Advisory Group, a cluster-wide safety management system is being developed to ensure a consistent approach to the reporting and management of safety incidents and activities.

Specific Property and Advisory Group WHS activities undertaken in 2017/18 include:

- development of a Property and Advisory Group incident management software system
- initiated roll-out of the Integrum incident management system to several business units
- roll out of a group incident management procedure
- participating in the Harrington St Operational Readiness Working Group. This was followed by WHS advice and support during the practical re-settlement of personnel at 66 Harrington
- assisting in the coordination of health and wellbeing initiatives such as the flu vaccination program and provision of a lactation / faith room separate to our first aid room at Harrington St.

WHS incidents - WAMC

The following number of incidents was reported during the period 2017/18:

- 1 staff incident

There were no SafeWork NSW notifiable incidents or dangerous occurrences affecting staff.

WHS induction and training

Property and Advisory Group staff members were required to complete two WHS mandatory courses:

- Introduction to Health and Safety, and
- WHS Due Diligence for managers.

As of 30 June 2018, there was 100 per cent course completion by eligible workers across the group.

WHS consultation

The WHS Consultative Committee has continued to be active in consultation upon WHS issues. Notably providing important feedback to on the proposed group-wide DFSI WHS framework.

17. Budgets

Performance against budget

Waste Assets Management Corporation (WAMC) finished the 2017/18 financial year $1.2 million ahead of budget.

WAMC has wound down the primary landfill business with the closure of the Eastern Creek Waste Management Centre. All landfill related revenue and associated costs fell including reduction in waste charges and EPA levy income due to the wind down. WAMC and are now concentrating on land regeneration.

Budget overview

WAMC is forecast to deliver a surplus of $2.5 million in the 2018/19 budget.

The forecasted surplus is primarily due to a one-off $4m Biobanking Credit to be paid in 2018/19 from Ecological Banking of the Former Castlereagh Landfill Buffer Lands.

In addition, all Landfill Equipment is expected to be sold in the 2018/19 year and minimal machinery retained, positively impacting on the net result.

	2016/17 actual $'000	**2017/18 actual $'000**	2017/18 budget $'000	2017/18 variance $'000	**2018/19 budget $'000**
Waste Asset Management Corporation					
Expenses	107,671	**23,263**	21,842	(1,376)	**8,702**
Revenues	113,480	**21,880**	21,291	589	**10,580**
Other gains/(losses)	13	**236**	636	(400)	**584**
Net operating result - surplus/(deficit)	**5,822**	**(1,147)**	**85**	**1,187**	**2,462**

18. Additional matters for inclusion

Privacy and Personal Information Protection Act 1998 (PPIP Act)

The Privacy and Personal Information Protection (PPIP) Act 1998 contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the Privacy and Personal Information Protection Act 1998.

Additional information about how WANMC manages its obligations under the PPIP Act is available at http://www.property.nsw.gov.au/government-property-nsw-privacy-statement.

Statistical information about access applications received in relation to Waste Assets Management Corporation is reported in the DFSI Annual Report.

Accessing this report

This report can be accessed at www.property.nsw.gov.au/aboutus.

19. Investment performance

Financial management

WAMC operates a cash-neutral cost recovery financial model over the life of its landfill operations and energy generation phases and is intended to neither make material profits nor return dividends to the NSW Government. WAMC's sources of revenue are through its operational landfill activities, gas to energy sales and Green Credits sales. Rehabilitation of

closed landfills is funded through the WAMC Landfill Rehabilitation Fund (LRF), as established under Section 7 of the Act

WAMC budgets are included in the Property NSW business plan. However, as a separate legal entity, WAMC prepares its Financial Statements in isolation from Property NSW. These statements are audited by the Audit Office.

Landfill Rehabilitation Fund

In January 2011, the Landfill Rehabilitation Fund (LRF) received funding of $48.9 million from sale of WSN proceeds, which is estimated to meet all current and future closed landfill rehabilitation liabilities.

The LRF is currently invested in compliance with Treasury Circular TC15-01 (Treasury Banking System). The fund is restricted cash and, therefore, outside the scope of TC15-01. The Waste Asset Management Corporation has incorporated an investment policy for the LRF with the objective of increasing returns on LRF funds while complying with the Public Authorities (Financial Arrangements) Act 1987. All restricted funds are either placed into bank term deposits or T-Corp investment facilities.

20. Numbers and remuneration of senior executives

See Human Resources.

21. Credit card certification

In accordance with Treasurer's Direction 205.01, credit card usage by officers of Waste Assets Management Corporation during the reporting period was in accordance with relevant Government policy, Premier's Memoranda and Treasurer's Directions.

WAMC is grouped under the umbrella of DFSI for its Credit Card transactions.

22. Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information.

More information on how to access department information is available at https://www.finance.nsw.gov.au/accessing-ofs-information/how-can-i-access-ofs-information.

Statistical information relating to formal applications under the GIPA Act is provided in the DFSI Annual Report Government Information (Public Access) statistics.

Review of proactive release program

Under section 7(3) of the GIPA Act, agencies must review their proactive release of government information program at least once every 12 months.

WAMC complies with this Act by proactively releasing information on its website www.property.nsw.gov.au.

23. Public Interest Disclosures

As staff members are employees of DFSI, WAMC has adopted and adhered to the DFSI Fraud and Corruption Internal Reporting Policy. All staff members are advised of this policy by means of the Code of Conduct and intranet access.

There were no public interest disclosures made by Property NSW officials for the period 1 July 2017 to 30 June 2018.

24. Exemptions and nil reports

Reporting requirement	**Reason for exemption**
Legal change	No legal change.
Economic or other factors	There were no economic factors affecting WAMC's operational objectives.
Disclosure of controlled entities	WAMC does not control any entities of the kind referred to in section 39 (1A) of *the Public Finance and Audit Act 1983.*
Disclosure of subsidiaries	WAMC does not control or hold shares in any subsidiaries within the meaning of the *Corporations Act 2001* (Cth.)
Agreements with Multicultural NSW	WAMC does not have any agreements with Multicultural NSW under the *Multicultural Act 2000*.
Consultants	WAMC engages consultants in accordance with the NSW Government Public Works and Procurement Act 1912. WAMC did not engage consultants in 2017/18.
Consumer response	WAMC does not deliver any frontline services to the public.
Promotion	No employee travelled overseas on official business during 2017/18.
Funds granted to non-government community organisations	No funds were granted to non-government community organisations.
Liability management performance	Not applicable, as WAMC had no debts as of the 2017/18 year.
Budgets	Following its consolidation into Property NSW, WAMC's budgets are included in this entity's business plan.
Implementation of Price Determination	WAMC is not subject to determinations or recommendations of the Independent Pricing and Regulatory Tribunal of NSW.
Land disposal	WAMC did not dispose of any land during the 2017/2018 financial period.
Requirements arising from employee arrangements	N/A

Waste Assets Management Corporation

Annual Report 2017-18

- Financial statements for the year ended 30 June 2018

INDEPENDENT AUDITOR'S REPORT

Waste Assets Management Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Waste Assets Management Corporation (the Corporation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

Other information comprises the information included in the Corporation's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Chief Executive of the Corporation is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprised of the Directors Declaration.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Chief Executive's Responsibilities for the Financial Statements

The Chief Executive of the Corporation is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Corporation will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

James Sugumar
Director, Financial Audit Services

27 September 2018
SYDNEY

Waste Assets Management Corporation

Financial Statements

For the Year Ended 30 June 2018

Statement by Chief Executive

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, and in my capacity as Chief Executive Officer of the Waste Assets Management Corporation, I declare that in my opinion:

(a) The accompanying financial statements exhibit a true and fair view of the Corporation's financial performance for the financial year ended 30 June 2018 and financial position as at 30 June 2018; and

(b) The financial statements comply with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Adam Howarth
Chief Executive

Date: 18/9/18.

WASTE ASSETS MANAGEMENT CORPORATION

Start of Audited Financial Statements

Statement of Comprehensive Income

For the Financial Year Ended 30 June 2018

	Note	Actual 2018 $'000	Actual 2017 $'000
Revenue			
Sale of Goods and Services	B1(a)	8,283	27,250
Investment Revenue	B1(b)	1,986	1,978
Other Revenue:			
Waste Levy Revenue	B1(c)	11,034	82,396
Other	B1(d)	577	1,856
Total Revenue		**21,880**	**113,480**
Expenses Excluding Losses			
Operating Expenses:			
Personnel Services	B2(a)	2,699	6,330
Other Operating Expenses	B2(b)	5,915	12,037
Waste Levy Expense	B2(c)	11,077	82,425
Depreciation and Amortisation	B2(d)	1,218	5,686
Finance Costs	B2(e)	1,370	1,193
Rehabilitation Expenses	B2(f)	984	
Total Expenses Excluding Losses		**23,263**	**107,671**
Gain/(Loss) on Disposal of Non-Current Assets	B3	236	13
Net Result		**(1,146)**	**5,822**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		**(1,147)**	**5,822**

[The accompanying notes form part of these financial statements]

WASTE ASSETS MANAGEMENT CORPORATION

Statement of Financial Position

As At 30 June 2018

	Note	Actual 2018 $'000	Actual 2017 $'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	C1	67,594	66,306
Receivables	C2	457	14,723
Other Assets	C3	962	1,748
Total Current Assets		**69,013**	**82,777**
Non-Current Assets			
Property, Plant and Equipment	C4	16,695	17,646
Total Non-Current Assets		**16,695**	**17,646**
TOTAL ASSETS		**85,708**	**100,423**
LIABILITIES			
Current Liabilities			
Payables	D1	2,161	15,066
Provisions	D2	8,787	11,535
Total Current Liabilities		**10,948**	**26,601**
Non-Current Liabilities			
Provisions	D2	44,130	42,045
Total Non-Current Liabilities		**44,130**	**42,045**
TOTAL LIABILITIES		**55,078**	**68,646**
NET ASSETS		**30,630**	**31,777**
EQUITY			
Accumulated Funds	E1(a)	30,630	31,777
TOTAL EQUITY		**30,630**	**31,777**

[The accompanying notes form part of these financial statements]

WASTE ASSETS MANAGEMENT CORPORATION

Statement of Changes in Equity

For the Financial Year Ended 30 June 2018

	Note	Actual 2018 $'000	Actual 2017 $'000
Accumulated Funds Balance at 1 July		**31,777**	**26,029**
Net Result for the Year		(1,147)	5,822
Total Comprehensive Income for the Year		**(1,147)**	**5,822**
Transactions with Owners as Owners			
Net Increase/(Decrease) in Net Assets from Equity Transfers	E1(a)	-	(74)
Total Transactions with Owners as Owners		**-**	**(74)**
Accumulated Funds Balance at 31 March		**30,630**	**31,777**

[The accompanying notes form part of these financial statements]

WASTE ASSETS MANAGEMENT CORPORATION

Statement of Cash Flows

For the Financial Year Ended 30 June 2018

	Note	Actual 2018 $'000	Actual 2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel Services		(3,631)	(3,456)
Landfill Host Fees Paid		(2,158)	(5,112)
Waste Levy Paid		(11,077)	(78,623)
GST Remitted		(1,310)	(8,997)
Payment to Suppliers		(18,760)	(22,161)
Total Payments		**(36,936)**	**(118,349)**
Receipts			
Sale of Goods and Services		25,235	30,546
Interest Received		1,986	94,439
Waste Levy received		11,034	1,978
Total Receipts		**38,255**	**126,963**
NET CASH FLOWS FROM OPERATING ACTIVITIES	C1(c)	**1,319**	**8,614**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Property, Plant and Equipment		(491)	(441)
Proceeds from Sale of Property, Plant and Equipment		460	30
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(31)**	**(411)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,288**	**8,203**
Opening Cash and Cash Equivalents		66,306	58,103
CLOSING CASH AND CASH EQUIVALENTS	C1(a)	**67,594**	**66,306**

[The accompanying notes form part of these financial statements]

WASTE ASSETS MANAGEMENT CORPORATION

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Financial Year Ended 30 June 2018

A1. REPORTING ENTITY

The Waste Assets Management Corporation (the Corporation) operates under the provisions of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010* to maintain and operate the only currently operating waste management centre at Eastern Creek, and to manage and rehabilitate a number of closed landfills. The Corporation is a separate reporting entity.

The Corporation is a NSW government statutory body and is a not-for-profit entity. The Corporation is consolidated as part of the NSW Total State Sector Accounts. The Corporation was created on 23 March 2010. Its principal business address is Foreshore House, 66 Harrington St, The Rocks, Sydney NSW 2000.

These financial statements have been authorised for issue by the Chief Executive on 18 September 2018.

A2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Corporation's financial statements are general-purpose financial statements which have been prepared in accordance with:

(i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
(ii) the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
(iii) Financial Reporting Directions mandated by the Treasurer.

Property, Plant and Equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(b) Statement of Compliance

The financial statements and accompanying notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(c) Joint Arrangements

The proportionate interests in the assets, liabilities, revenues and expenses of a joint venture activity have been incorporated in the financial statements. Details of the joint operation are set out in Note F4.

(d) Accounting for the Goods and Services Tax (GST)

Revenue, expenses assets and liabilities are recognised net of the amount of GST, except that:

(i) the amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
(ii) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(e) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in

respect of the previous period for all amounts reported in the financial statements.

(f) Fair Value Measurement and Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Corporation's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices in active markets for identical assets/liabilities that the Corporation can access at the measurement date.
Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Corporation recognises transfers between levels of the fair value hierarchy at the end the reporting period during which the change has occurred.

Refer to Notes C4 and F2 for further disclosures regarding fair value measurements of financial and non-financial assets.

(g) Going Concern Basis

The Corporation's financial statements have been prepared on a going concern basis. Whilst the Corporation's Eastern Creek site has ceased operation during August 2017, it's role and function is likely to continue.

Current assets exceed current liabilities, adjusted for restricted cash, by $8.0m at 31 March 2018 ($7.6m at 30 June 2017).

The cash flow projections to 30 June 2018 indicate a positive balance for the Corporation. On this basis, the financial statements have been prepared on a going concern basis.

The Corporation's ability to pay it's debts as when they become due and payable is supported by the $20m short term "Come and Go" facility extended by the Treasury Corporation. The Corporation has approval to hold this facility in line with the requirements of the *Public Authorities (Financial Arrangements) Act 1987*. The Corporation can call upon the "Come and Go" to fund any shortfall in its cash requirements.

(h) Changes in Accounting Policy including New or Revised Australian Accounting Standards

(i) Effective for the First Time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2017-18:

- AASB 9 "Financial Instruments" applied from 1 January 2018 and comprises changes to improve and simplify the approach for classification and measurement of financial assets. The new AASB 9 includes revised guidance on the classification and measurement of financial assets and supersedes AASB 9 (December 2009) and AASB 9 (December 2010). The change has not impacted the financial statements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. There are a number of recently issued or amended Australian Accounting Standards which are not yet effective and have not been adopted for the reporting period ending 30 June 2018.

The following new Australian Accounting Standards, excluding standards not considered applicable or material to the

Corporation, have not been applied and are not yet effective. The possible impact of these standards in the period of initial application includes:

- AASB 16 "Leases" has application from 1 January 2019. This standard generally requires the Lessee to recognise a right-of-use asset and a lease liability at a lease's commencement date except for short term and low value asset leases. The requirements for lessor accounting have been carried forward from AASB 117 largely unchanged. As the lessor, the change is not expected to materially impact the Corporation's financial statements.

- AASB 15, AASB 2014-5, AASB 2015-8 and AASB 2016-3 "Revenue from Contracts with Customers" has application from 1 January 2019. The Corporation believes this standard will impact on the timing recognition of certain revenues given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price (as opposed to stage of completion of the transaction). The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised.

B1. REVENUE

Recognition and Measurement - Revenue

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition and measurement of revenue is discussed within each revenue category below.

(a) Sale of Goods and Services	2018 $'000	2017 $'000
Waste Charges (iii)	4,081	23,001
Revenue from Joint Operations - "Electricity and Green Products" (iv)	4,202	4,249
Total Sale of Goods and Services	**8,283**	**27,250**

(i) Revenue from the sale of goods is recognised as revenue when the Corporation transfers the significant risks and rewards of ownership of the assets.

(ii) Where services are rendered, revenue is recognised when the service is provided or by reference to the stage of completion. Revenue, based on the stage of completion, is calculated by multiplying the rate per tonne by the number of tonnes of waste received during the period.

(iii) Waste Charges: Revenue from the collection and treatment of liquid waste is recognised after the waste has been collected and treated. The decrease in waste charges in 2018 is due to the closure of the Eastern Creek landfill site.

(iv) Revenue from Joint Operations - "Electricity and Green Products": Revenue from electricity sales and renewable energy certificates are recognised on an accrual basis (See also Note F4).

(b) Investment Revenue	2018 $'000	2017 $'000
Interest Revenue	1,986	1,978
Total Investment Revenue	**1,986**	**1,978**

(i) Interest revenue is recognised using the effective interest method as set out in AASB 139 "Financial Instruments: Recognition and Measurement". The Corporation's interest revenue is earned from Bank Term Deposits and T-Corp Medium Term Investment. This is in line with the Corporation's Investment Poliicy

(c) Other Revenue - Waste Levy Revenue	2018 $'000	2017 $'000
Waste Levy Revenue (i)	11,034	82,396
Total Waste Levy Revenue	**11,034**	**82,396**

(i) Waste Levies are received on behalf of the EPA for every tonne of material disposed and remitted accordingly. The impact to th Net Result from the net Waste Levy revenues over expenses is a surplus/deficit of $0.0m in 2017-18 (deficit of $29,000 in 2016·

(d) Other Revenue - Other	2018 $'000	2017 $'000
Rehabilitation Provision Reversal	-	813
Reversal of Bio-Banking Provisions (i)	-	160
Other Revenue	577	883
Total Other Revenue - Other	**577**	**1,856**

(i) Bio-banking Trust Fund Revenue: Payments from the trust fund are recognised as revenue in the year in which the cash is received. The Corporation has surrendered any future Bio-banking trust revenue to the National Parks and Wildlife Service on transfer of the Belrose Bio-banked lands. This occurred during the 2017/18 year

12. FUTURE MINIMUM LEASE PAYMENTS EXPECTED TO BE RECEIVED

	2018 $'000	2017 $'000
Future Non-cancellable Operating Lease Receivable:		
Not Later than One Year	71	71
Later than One Year and Not Later than Five Years	284	284
Later than Five Years	82	153
Total (including GST)	**437**	**508**

The Corporation leases a portion of its property asset at 7 Hill Rd, Sydney Olympic Park to the Sydney Olympic Park Authority (Lease # 6380178, Folio ID 5005/1004785). The lease is scheduled to expire 23 August 2024.
These funds are collected on behalf of Suez Australia as per a series of Terms Sheets.

B2. EXPENSES EXCLUDING LOSSES

(a) Personnel Services Expenses

	2018 $'000	2017 $'000
Salaries and Wages	2,068	3,060
Redundancies	(198)	1,666
Superannuation - Defined Contributions Plans	139	192
Long Service Leave	22	117
Workers Compensation Insurance	101	414
Payroll Tax and Fringe Benefits Tax	158	205
Temporary Contractors (Note B2(b)(ii))	407	676
Total Personnel Services Expenses	**2,699**	**6,330**

(i) Employee costs for the full year were recognised as Personnel Services provided by the Department of Finance, Services and Innovation (DFSI). These personnel services are expensed when incurred. A liability is recognised for the employee-benefit related liabilities recognised by the DFSI, and charged to the Corporation.

(b) Other Operating Expenses

	2018 $'000	2017 $'000
Administration	341	994
Auditors Remuneration		
- Audit of the financial statements	84	89
Consultancy	-	-
Shared Service Fee (i)	1,982	336
Insurance (ii)	236	268
Landfill Operating Expenses	1,367	1,591
Landfill Host Fees	591	5,442
Legal	(180)	293
Maintenance (iv)	48	401
Mobile Plant and Motor Vehicles	454	1,501
Operating Lease Rental Expense	483	552
Rates and Taxes	99	16
Utilities and Cleaning	270	375
Other Expenses	140	179
Total Other Operating Expenses	**5,915**	**12,037**

(i) Shared Service Fees include fees charged by GovConnect NSW for shared transactional services, by DFSI for personnel services and corporate services provided under the DFSI Corporate Operating Model arrangements and by Property NSW for all administrative and operational services to enable the Corporation to exercise its functions

(ii) The Corporation's insurance activities are conducted through the NSw Treasury Managed Fund Scheme of self-insurance for government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

(iii) Reconciliation - Capitalised Salary and Wages	2018 $'000	2017 $'000
Personnel Services related expense capitalised into Landfill Cell development costs excluded from Note B2(a)	-	134
	-	**134**

(iv) Reconciliation- Total Maintenance	2018 $'000	2017 $'000
Maintenance Expense - contracted labour and other (non-employee related) included above	407	676
Personnel Services related maintenance expense included in Note B2(a)	230	229
	637	**905**

Day-to-day servicing costs or maintenance on the Corporation's Property, Plant and Equipment are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(c) Waste Levy Expense	2018 $'000	2017 $'000
Waste Levy Expense	11,077	82,425
Total Waste Levy Expense	**11,077**	**82,425**

(i) The impact to the Net Result from net Waste Levy revenues over expneses is a deficit of $43,000 in 2017/18 (deficit of $29,000 in 2016-17). See also Note B1(c).

(d) Depreciation and Amortisation Expense	2018 $'000	2017 $'000
Depreciation of:		
Landfill Site Assets (i)	33	1,717
Buildings	25	2,039
Plant and Equipment	1,160	1,930
Total Depreciation and Amortisation Expense	**1,218**	**5,686**

Recognition and Measurement - Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Corporation. All material separately identifiable components of assets are depreciated over their shorter useful lives.

The normal life expectancies of major asset categories are as follows:

Asset Class	2018 Years	2017 Years
Buildings	4-20	4-20
Leasehold Improvements	5-10	5-10
Plant & Equipment	1-10	1-10
Specialised Equipment	3-7	3-7
Furniture & Fittings	3-5	3-5
Motor Vehicles	3-5	3-5
Computers	1-4	1-4

(e) Finance Costs	2018 $'000	2017 $'000
Unwinding of Discount Rate on Landfill Rehabilitation Provision	1,370	1,193
Total Finance Costs	**1,370**	**1,193**

Borrowing costs (including finance costs) are recognised as expenses in the period in which they are incurred.

(f) Rehabilitation Provision Expenses

	2018 $'000	2017 $'000
Landfill Rehabilitation Expenses	984	4
	984	**4**

The Corporation was vested a provision for rehabilitation on 31 January 2011. On 3 February 2011 the Corporation received $48.9m from the Crown Entity to fund the future land rehabilitation liabilities. During 2017-18 the landfill rehabilitation provision was reassessed by management to represent the net present value of the liability $0.9m (2016-17: nil).

The ability of the Corporation to complete its long term rehabilitation obligations is dependent upon a number of factors including, long term interest rates, regulatory changes to rehabilitation requirements and licence conditions, realisation of identified potential rehabilitation savings and further contributions to the Landfill Rehabilitation Fund by either the Corporation or the Crown.

B3. GAINS AND LOSSES

(a) Gain/(Loss) on Disposal of Non-Current Assets

	2018 $'000	2017 $'000
Net Proceeds from Disposal of Non-Current Assets Held for Sale	460	193
Written Down Value (Note C3(b))	(224)	(180)
Net Gain/(Loss) on Disposal	**236**	**13**

WASTE ASSETS MANAGEMENT CORPORATION

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Financial Year Ended 30 June 2018

C1. CASH AND CASH EQUIVALENTS

(a) Cash and Cash Equivalents - Dissection	2018 $'000	2017 $'000
Cash and Cash Equivalents - Current		
Cash at Bank and On Hand	18,585	17,457
Bank Term Deposits:		
Unrestricted	-	322
Restricted (b)	49,009	48,527
Total Cash and Cash Equivalents	**67,594**	**66,306**

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents include cash at bank, cash on hand, restricted cash and short-term deposits.

Interest Rate Risk

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk Corporation operates and variable has been determined after taking into account the economic environment in which the the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis assumes that all other variables remain constant.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Corporation's exposure to interest rate risk is set out below.

Interest Rate Risk - 2018	Carrying Amount $'000	-1% Net Result $'000	-1% Equity $'000	1% Net Result $'000	1% Equity $'000
Financial Assets					
Cash at Bank and On Hand	18,585	186	186	(186)	(186)

Interest Rate Risk - 2017	Carrying Amount $'000	-1% Net Result $'000	-1% Equity $'000	1% Net Result $'000	1% Equity $'000
Financial Assets					
Cash at Bank and On Hand	17,457	175	175	(175)	(175)

Other Price Risk - TCorp Facilities			2018 $'000	2017 $'000
Facility	Investment Sectors	Investment Horizon		
Cash Facility	Cash, money market instruments	Up to 1.5 years	18,585	3,759
Strategic Cash Facility	Cash, money market & other interest rate instruments	Up to 1.5 years	31,024	27,914
Strategic Cash Facility	Cash, money market & other interest rate instruments	1.5 years to 5 years	17,985	17,166

The Corporation is required to comply with the *Public Authorities (Financial Arrangements) Act 1987*. The Corporation's Strategic Cash up to 1.5 years is held within Australian Bank Term Deposits and the Strategic Cash over 1.5 years is held with a TCorpIM Medium Term Growth Fund.

(b) Restricted Cash	Landfill Rehabilitation Fund $'000	Other Restricted $'000	Total $'000
Year Ended 30 June 2018			
Opening Restricted Funds at Start of Year	44,809	3,718	48,527
Interest Received	1,521	89	1,610

Reimbursements for Rehabilitation	(1,128)		(1,128)
Restricted Funds at the End of the Year	**45,202**	**3,807**	**49,009**
Year Ended 30 June 2017			
Opening Restricted Funds at Start of Year	46,408	3,603	50,011
Interest Received	1,837	115	1,952
Reimbursements for Rehabilitation	(3,436)	-	(3,436)
Restricted Funds at the End of the Year	**44,809**	**3,718**	**48,527**

The Landfill Rehabilitation Fund was established in accordance with Section 7 Part 2 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010*. This is a special deposit account administered by the Minister for Finance, Services and Property. Use of funds is restricted to landfill rehabilitation purposes.

Restricted funds can only be spent for the specified purpose, primarily rehabilitation of landfill sites, for which it was granted to the Corporation. The Corporation's restricted cash has been moved from the Treasury Banking System into Bank Term Deposits or The Treasury Corporation Medium Term Facility, as per the Corporations Investment Strategy released in late 2016.

A withdrawal of $0.0 m was undertaken in July 2018 for rehabilitation expenses incurred in June 2018 (2017: $0.3m).

(c) Reconciliation of Cash Flows from Operating Activities to Net Result

	2018 $'000	2017 $'000
Net Cash Flows from Operating Activities	**1,319**	**8,614**
Non Cash (Revenues)/Expenses:		
Depreciation	(1,218)	(5,686)
Revaluation Decrement of Land and Buildings	-	-
Gain/(Loss) on Disposal of Assets	236	13
Changes in Operating Assets and Liabilities:		
Increase/(Decrease) in Receivables	(14,266)	(3,877)
Increase/(Decrease) in Other Assets	(786)	307
(Increase)/Decrease in Payables	12,905	2,930
(Increase)/Decrease in Rehabilitation Provision	489	3,052
(Increase)/Decrease in Other Provisions	174	469
Net Result	**(1,147)**	**5,822**

C2. RECEIVABLES

(a) Receivables - Dissection

	2018 $'000	2017 $'000
Receivables - Current		
Trade Debtors	13	14,680
Prepayments	444	43
Total Current Receivables at 30 June	**457**	**14,723**

(b) Recognition and Measurement - Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the Net Result when impaired, derecognised or through the amortisation process.

When there is objective evidence that the amounts due will not be collected, the Corporation recognises an allowance for impairment. The amount of the allowance is the difference between the receivable's carrying amount and the amount expected to be received. When an impairment is recognised, the loss is recorded in the Net Result for the year. Where

there is objective evidence of recovering a previously impaired receivable, the reversal of impairment losses is also recognised through the net result for the year.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Such receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

(c) Credit Risk - Trade Debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are generally made on 30 day terms.

Debtors that are not past due as at 31 March 2018 of $0.4m ($14.7 as at 30 June 2017) and debtors that are past due but not considered impaired as at 31 March 2018 of $0.0 ($0.0 as at 30 June 2017) represent 100% of the total debtors. There are no debtors which together are currently not past due or impaired whose terms have been renegotiated. There are no debtors that are considered impaired.

The only financial assets that are past due are rental debtors in Receivables within the Statement of Financial Position.

Notes

1. Each column in the table reports gross receivables.
2. The aging analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the total will not reconcile to receivables total recognised in the Statement of Financial Position.

C3. OTHER ASSETS

(a) Other Assets - Dissection

	2018 $'000	2017 $'000
Current		
Right to Carbon Emission Units	264	283
Renewable Energy Certificates	575	1,157
Other	123	308
	962	**1,748**

The Corporation transferred the Belrose Biobanking Lands to the National Parks and Wildlife Service. With this transfer the Biobanking Fund Deposit was also transferred.

(b) Recognition and Measurement - Other Assets

Renewable Energy Certificates generated and Australian Carbon Credit Units are stated at fair value. Fair value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

C4. PROPERTY, PLANT AND EQUIPMENT

(a) Property, Plant and Equipment - Dissection

	2018 $'000	2017 $'000
Non-Current		
Landfill Cell Costs		
At Fair Value	29,197	29,197
Accumulated Depreciation and Amortisation	(29,197)	(29,164)
Carrying Amount at 30 June	**-**	**33**

Land and Buildings		
At Fair Value	16,027	15,879
Accumulated Depreciation	(3,987)	(3,987)
Carrying Amount at 30 June	**12,040**	**11,892**
Plant & Equipment		
At Fair Value	13,483	15,762
Accumulated Depreciation	(8,828)	(10,041)
Carrying Amount at 30 June	**4,655**	**5,721**
Total Property, Plant and Equipment		
At Fair Value	58,707	60,838
Accumulated Depreciation	(42,012)	(43,192)
Total Property, Plant and Equipment at 30 June	**16,695**	**17,646**

The Corporation has 3 lots of freehold land at Lidcombe NSW (DP 1004785) which are currently valued at $1. Any rehabilitation costs are expected to be offset by the value of potential site development. The Environment Protection Authority (EPA) has not directed any remediation of these contaminated land and a provision for remediation is thus not recognised. The remediation cost is expected to be material. An expert assessed provision will be required when management decides to remediate or a direction is received from the EPA.

The Corporation also has 3 lots of land at Lucas Heights NSW (DPs 818819 and 1149334). These lots have long term leases (expiry June 2025) , and may return to the Corporation in the future. The Corporation considers the present value of the emerging asset at the end of the lease will be immaterial to the financial statements.

The freehold lots are Belrose closed landfill (DP 1144741), Castlereagh closed landfill (DP 793517) and Eastern Creek Area 4 closed landfill (DP 1048435).

(b) Reconciliation of Opening and Closing Carrying Amounts

	2018 $'000	2017 $'000
Landfill Cell Costs		
Carrying Amount at 1 July	33	1,596
Additions	-	154
Disposal	-	-
Depreciation Expense	(33)	(1,717)
Carrying Amount at 30 June	**-**	**33**
Land and Buildings		
Carrying Amount at 1 July	11,892	14,005
Additions	173	-
Disposal		(74)
Depreciation Expense	(25)	(2,039)
Carrying Amount at 30 June	**12,040**	**11,892**
Plant & Equipment		
Carrying Amount at 1 July	5,721	7,380
Additions	318	287
Disposal	(224)	(16)
Depreciation Expense	(1,160)	(1,930)
Carrying Amount at 30 June	**4,655**	**5,721**
Total Property, Plant and Equipment		
Carrying Amount at 1 July	17,646	22,981
Additions	491	441
Disposal	(224)	(90)
Depreciation Expense	(1,218)	(5,686)
Total Property, Plant and Equipment Carrying Amount at 30 June	**16,695**	**17,646**

(c) Recognition and Measurement - Property, Plant and Equipment

(i) Acquisitions of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Landfill, Cell Development and Provision for Rehabilitation

(a) Landfills

The Corporation owns landfill assets. A landfill may be either developed or purchased. The cost of developing a landfill includes the expenses incurred in approval and overall site infrastructure development to bring the asset to a condition necessary to its intended use.

It is the Corporation's policy to:
- Assess and recognise each landfill asset or group of landfill assets as a unit
- Measure the land value by reference to fair value

The Corporations contaminated lands that do not require remediation under an Environmental Protection Authority (EPA) direction are currently valued by management at $1. This is to reflect the considerable remediation cost associated to rehabilitate the site, if the site was to be developed for alternative uses.

(b) Cell Development

A landfill will normally be divided into parts, with each part (or cell) developed one at a time. When a cell is nearly full, a new cell is developed in readiness to receive waste from the time the former cell closes. The closed cell is then capped.

The cost of cell development includes earthworks, leachate and gas capture infrastructure and cell lining to bring the asset to a condition necessary for its intended use, that is, to receive and dispose of waste and generate revenue streams.

Expenditure on cell development may be incurred in one reporting period but the airspace in the cell may last more than that reporting period.

In recognition of the above, it is the Corporation's policy at time of cell development and reporting dates to:
- capitalise the cost of cell development in landfill assets
- amortise the expected cost of cell development over the useful life of the cell.
- recognise revenue streams in the reporting period earned

The amortisation for a reporting period is calculated by the volume of airspace consumed during the reporting period divided by the total airspace available when the asset started being used. Future landfill site restoration and aftercare costs capitalised are depreciated at rates that match the pattern of benefits expected to be derived from use of the respective sites.

(c) Landfills Closure and Provision for Rehabilitation

A landfill is deemed full when its permitted airspace is consumed and it cannot legally accept any more waste. Alternatively, a landfill may be deemed full earlier should other factors exist, for example, if it is not economically viable to continue accepting waste. At that point the cost of cell development is fully amortised to nil.

Generally, a landfill must be maintained and left in a condition specified by the EPA or other government authorities.

Therefore rehabilitation occurs on an ongoing basis, at the time the landfill closes, and post-closure.

In recognition of the above, it is the Corporation's policy at time of development to:
- in the case of developing a landfill, provide for the expected rehabilitation at time of development
- request environmental scientists to calculate the expected cost of rehabilitation for each landfill asset or group of landfill assets working together; and
- assess the adequacy of the provision for rehabilitation at each reporting date and either confirm its adequacy or increase or decrease the provision to the landfill asset and of comprehensive income as required and account for the cost of rehabilitation against the provision.

(d) Recognition of Rehabilitation Provision

Initial recognition of the provision of land owned by the Corporation is recognised with the asset.

If the related asset is measured using the revaluation model:

(i) Changes in the liability alter the revaluation increase or decrease previously recognised on that asset, so that:

(a) a decrease in the liability shall (be credited directly to the revaluation reserve in equity, except that it shall be recognised in the profit or loss to the extent that it reverses a revaluation decrease on the asset that was previously recognised in profit or loss; or
(b) an increase in the liability shall be recognised in profit or loss, except that it shall be debited directly to the revaluation reserve in equity to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

(ii) In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess shall be recognised in profit or loss.

Rehabilitation expenses relating to land not controlled by the Corporation are adjusted in the income statement.

The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time. the annual change in the net present value of the provision due to the passage of time is recognised in the Statement of Comprehensive Income as a time value adjustment.

(iii) Capitalisation Thresholds

Property, Plant and Equipment and Intangible Assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

(iv) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with Treasury Policy and Guidelines Paper TPP 14-01 "Valuation of Physical Non-Current Assets at Fair Value". This policy adopts fair value in accordance with AASB 13 "Fair Value Measurement" and AASB 116 "Property, Plant and Equipment".

Property, Plant and Equipment value is measured on an existing use basis, which is it's highest and best use given existing natural, legal, financial and socio-political environment. In limited circumstances the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use. Land is carried out at un-rehabilitated value.

Fair value of Property, Plant and Equipment is determined based on a market participant's perspective, using valuation techniques (market, cost and income approach) that maximises relevant observable inputs and minimises unobservable inputs. The Corporation assesses the carrying amount of each asset with sufficient regularity to ensure it does not differ materially from its fair value at reporting date.

The Corporation revalues each class of Property, Plant and Equipment every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

The last valuation of Land and Buildings was completed on 30 June 2016 and was based on an independent assessment by CBRE. Management assessed that there are no material charges to fair value at 30 June 2018.

During the year to 31 March 2018 formal advice was received from an independent registered valuer (CBRE) that there had been no material change in value for the Corporation's Land and Buildings since 30 June 2017, consistent with management's fair value assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the Asset Revaluation Reserve in equity, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Net Result, the increment is recognised immediately as revenue in the Statement of Comprehensive Income.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the Asset Revaluation Reserve in respect of the same class of assets, they are debited directly to the Asset Revaluation Reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the Asset Revaluation Reserve in respect of that asset is transferred to Accumulated Funds.

The Corporation revalued property in accordance with the Independent Valuation report issued June 2016. However, management assessed the value of the Landfill assets to be impaired in value on the basis of management's assessment of the fair value. This is to reflect the highly contaminated nature of the asset and limited available alternative uses for the land, and potential costs of rehabilitation.

(v) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under "AASB 136 Impairment of Assets" is unlikely to arise. As Property, Plant and Equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount for non-cash generating assets of not-for-profit entities, to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

At each reporting date the Corporation assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the Asset Revaluation Reserve for the class of asset.

(vi) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits. Operating lease payments are charged to the Statement of Comprehensive Income in periods in which they are incurred.

C5. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis (Refer to Notes A2(f) and C4):

WASTE ASSETS MANAGEMENT CORPORATION

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Financial Year Ended 30 June 2018

(a) Fair Value Heirarchy of Non-Financial Assets

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2018				
Landfill Cell Costs	-	-	-	-
Land and Buildings	-	-	12,040	12,040
	-	**-**	**12,040**	**12,040**
2017				
Landfill Cell Costs	-	-	33	33
Land and Buildings	-	-	11,892	11,892
	-	**-**	**11,925**	**11,925**

(b) Valuation Techniques, Input and Processes

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation processes refer note C4(c)(iv).

Class	Valuation Technique	Key Inputs
Landfill Cell Costs	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2017	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of buildings
Land and Buildings	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2017	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of infrastructure

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

2018	Landfill Cell Costs $'000	Land and Buildings $'000	Total Recurring Level 3 Fair Value $'000
Fair Value as at 1 July 2017	33	11,892	11,925
Additionds		173	173
Revaluation Increments/(Decrements)	-	-	-
Depreciation	(33)	(25)	(58)
Fair Value as at 30 June 2018	**-**	**12,040**	**12,040**

2017	Landfill Cell Costs $'000	Land and Buildings $'000	Total Recurring Level 3 Fair Value $'000
Fair Value as at 1 July 2016	1,596	14,005	15,601
Additions	154	0	154
Disposal	0	(74)	(74)
Depreciation	(1,717)	(2,039)	(3,756)
Fair Value as at 30 June 2017	**33**	**11,892**	**11,925**

There were no transfers into or out of Level 3 during the periods.

WASTE ASSETS MANAGEMENT CORPORATION

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Financial Year Ended 30 June 2018

D1. PAYABLES

(a) Payables - Dissection

	2018 $'000	2017 $'000
Current		
Trade Payables	287	287
Unearned Revenue	110	
Payable to Other Government Agencies	-	-
Waste Levy Payable	-	10,901
Personnel Services Payable	360	1,334
Other Creditors	1,404	2,544
Total Current Payables	**2,161**	**15,066**

During 2016-17, an additional $1.3m personnel services payable was recognised on a redundancy created by the Department of Finance, Services and Innovation (DFSI) for the winding up of operations relating to the Eastern Creek Waste Management Centre. This has been drawn upon accordingly as per the Restructure Management Plan (RMP) to the current $0.4m, representing three staff remaining in the RMP.

(b) Recognition and Measurement - Payables

Payables are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced Payables represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

The Corporation's payables are all non-interest bearing. Payable items which are out of the scope of AASB 7 "Financial Instruments: Disclosures" have been excluded from the carrying amount shown in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk is the risk the Corporation will be unable to meet its payment obligations when they fall due. The Corporation continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current period, there were no defaults or breaches on any loan payable. No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

(d) Maturity Profile

All of the Corporation's payables and accruals have a maturity of less than 12 months (2017: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasury Circular TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasury Circular TC 11/12 allows the Minister to award interest for late payment.

D2. PROVISIONS

(a) Provisions - Current and Non-Current Dissection

	2018 $'000	2017 $'000
Current		
Provision for Landfill Remediation	4,999	7,213
Provision for Cost to Complete	3,788	4,322
Total Current Provisions	**8,787**	**11,535**
Non-Current		
Provision for Landfill Remediation	44,130	42,045
Provision for Cost to Complete	-	-

Total Non-Current Provisions	**44,130**	**42,045**
Total Provisions		
Provision for Landfill Remediation	49,129	49,258
Provision for Cost to Complete	3,788	4,322
Total Provisions Carrying Amount at 30 June	**52,917**	**53,580**

(b) Provision for Landfill Remediation - Movement

	2018 $'000	2017 $'000
Carrying Amount at 1 July	49,258	52,310
Additional provisions during the year	2,051	4
Writeback of provision	-	(813)
Amounts used	(3,551)	(3,436)
Unwinding / change in discount rate	1,370	1,193
Carrying Amount at 30 June	**49,129**	**49,258**

Landfill Rehabilitation Funding was received from Treasury in 2011 to cover landfill rehabilitation costs on closed landfills, until 2055. An external valuation is carried out by appropriately qualified environmental engineers on a triennial basis. This was conducted during the 2015-16 year. Rehabilitation Expenses are charged against the provisions as and when they occur.

Management reviews the Rehabilitation Provision on an Annual basis with an independent review on a triennial basis. The proposed future costs are assessed by Management and determined to be appropriate. The future costs are discounted based on Australian Government Bond Rates to derive the Current and Non Current provisions.

The Corporation has 3 lots of freehold land at Lidcombe NSW (DP 1004785) which are currently valued at $1. The site is not under a clean-up notice from the EPA and the potential end use of the site is currently under review. The potential estimated remediation of the site exceeds the site's current market value, however the site is under a long term lease until 2025 to Suez. After the expiry of the lease any potential provisions relating to the site will be investigated.

(c) Provision for Cost to Complete - Movement

	2018 $'000	2017 $'000
Carrying Amount at 1 July	4,322	4,791
Additional Provisions During the Year	257	65
Writeback of Provision	(200)	(534)
Amounts Used	(591)	-
Unwinding/Change in Discount Rate	-	-
Carrying Amount at 30 June	**3,788**	**4,322**

A significant proportion of the Provision for Cost to Complete represents the present obligation to provide an enhancement via the Northern Beaches Council to the community of Belrose.
Works have commenced on the Belrose Bike Park during the 2017/18 year and should be concluded by December 2018

(d) Recognition and Measurement - Provisions

Provisions exist when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted at 2.62% per annum, (2017: 3.0% per annum), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (ie. unwinding of discount rate rate) is recognised as a finance cost.

The majority of the expenses are to be incurred in the first 10 years of works for the rehabilitation of landfills. Due to this impact, the Corporation has weighted the discount rate to reflect this impost, therefore implementing the Australian Government 10 year Bond Rates

Section E: Equity

Notes to and Forming Part of the Financial Statements for the Financial Year Ended 30 June 2018

E1. EQUITY

(a) Accumulated Funds

The category Accumulated Funds includes all current and prior period retained funds.

Accumulated Funds Movement	2018 $'000	2017 $'000
Carrying Amount at 1 July	31,777	26,029
Net Result for the Year	(1,147)	5,822
Net Increase/(Decrease) from Equity Transfers (i)	-	(74)
Carrying Amount at 30 June	**30,630**	**31,777**

(i) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies are designated or required by Australian Accounting Standards to be treated as a contribution by owners and recognised as an adjustment to Accumulated Funds. This treatment is consistent with Australian Interpretation 1038 "Contributions by Owners Made to Wholly-Owned Public Sector Entities".

Transfers arising from an administrative restructure between not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

In 2017, Bio-banking credits totalling $74,000 in relation to the Belrose Bio-banked lands were transferred to the National Parks and Wildlife Service through equity in accordance with Treasury policy TPP 09/03 "Contributions by owners made to wholly-owned Public Sector Entities".

(b) Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Corporation's policy on the revaluation of Property, Plant and Equipment as discussed in Note C4.
The Corporation has no revaluation surplus as at 30 June 2018 (Nil at 30 June 2017).

F1. FINANCIAL INSTRUMENTS

The Corporation's principal financial instruments are outlined below. These financial instruments arise directly from the Corporation's operations or are required to finance the Corporation's operations. The Corporation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Quantitative and qualitative disclosures together with the Corporation's objectives, policies and processes for measuring and managing risk are included throughout the financial statements.

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls to monitor risks. Compliance with policies is reviewed by the Management on a continuous basis.

(a) Financial Instrument Categories

			2018 $'000	2017 $'000
Financial Assets - Carrying Amounts				
Class	**Category**	**Notes**		
Cash and Cash Equivalents	n/a	C1	67,594	66,306
Receivables (i)	Loans and Receivables (at Amortised Cost)	C2	12	13,345
Other Assets	Rights to Carbon Emission Assets and Renewable Energy Certificates	C3	839	1,440
Financial Liabilities - Carrying Amounts				
Class	**Category**	**Notes**		
Payables (ii)	Financial Liabilities Measured at Amortised Cost	D1	1,637	2,625

(i) Excludes statutory receivables and prepayments as they are not within the scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within the scope of AASB 7.

(b) Credit Risk

Credit risk arises when there is the possibility that a counterparty will default on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Corporation, including cash, receivables, and authority deposits (Notes C1 and C2). No other collateral is held by the Corporation and the Corporation has not granted any financial guarantees.

Credit risk associated with the Corporations's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposure to market risk is primarily through interest rate movement of Bank Term Deposits (Note C1). The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

(d) Fair Value of Financial Instruments

The Corporation's financial instruments are recognised at cost. The amortised cost of the Corporation's financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of the financial instruments. The Corporation has not identified any financial instruments whose fair value differs materially from the carrying amount.

The following table shows the levels within the hierarchy of financial instruments measured at fair value on a recurring basis (Refer to Notes A2(f) and C3):

Fair Value Heirarchy of Financial Instruments	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2018				
Australian Carbon Credit Units		264		264
Renewable Energy Certificates		575		575
	-	**839**	**-**	**839**
2017				
Australian Carbon Credit Units	-	283	-	283
Renewable Energy Certificates	-	1,157	-	1,157
	-	**1,440**	**-**	**1,440**

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position. There were no transfers between Levels 1 and 2 during the year ended 31 March 2018.

(e) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Net Result for the year.

Any reversals of impairment losses are reversed through the Net Result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

F2. COMMITMENTS FOR EXPENDITURE

(a) Operating Lease Commitments

	2018 $'000	2017 $'000
Future Non-cancellable Operating Lease Rentals not Provided for and Payable:		
Not Later than One Year	-	184
Total (including GST)	**-**	**184**

The Corporation has a lease with The Minister Administering The Environment Planning and Assessment Act 1979 over Folio Identifier 1/1073820. The area is within the Eastern Creek Waste Management Centre and is used to stockpile excess materials. The current lease expires on 30 June 2017 or if the Corporation ceases to store material on that area, which the Corporation has occured December 2017.
The Corporation does not expect to stockpile any additional material into the future.

(b) Capital expenditure commitments

There are no capital expenditure commitments as at 31 March 2018 (Nil at 30 June 2017).

F3. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent Assets

The Corporation is not aware of any contingent assets as at 30 June 2018 (Nil at 30 June 2017).

(b) Contingent Liabilities

The Corporation may have costs associated with the remediation of some landfill sites. The costs currently can not be accurately measured as at 30 June 2018 (Nil at 30 June 2017).

F4. INTEREST IN JOINT OPERATION

The Corporation has entered into a joint operation called Eastern Creek 2 Landfill Gas Joint Venture with LMS Generation Pty Ltd to capture gas from landfills and therewith to generate electricity. The Corporation has a 50% participating interest in this joint venture and is entitled to 50% of its output of electricity generated, Australian Carbon Credit Units and Renewable Energy Certificates. The Corporation's interests in the assets employed in the joint venture are included in the Statement of Financial Position in accordance with the accounting policy described in Note A2(c).

(a) Share of Corporation's Assets and Liabilities	2018 $'000	2017 $'000
Current Assets	149	13
Non-Current Assets	2,549	2,980
Total Assets	**2,698**	**2,993**
Current Liabilities	104	103
Total Liabilities	**104**	**103**
Net Assets	**2,593**	**2,890**

(b) Share of Corporation's Net Result	2018 $'000	2017 $'000
Expenses	(1,505)	(1,922)
Net Result Before Income Tax	**(1,505)**	**(1,922)**

Each of the shareholders in Eastern Creek 2 Landfill Gas Joint Venture with LMS Generation Pty Ltd is jointly and severally liable for the debts of the company. The assets of the company exceed its debts.

Revenue from the sale of the Corporation's 50% share of the output of the joint venture is disclosed at Note B1(a).

(c) Sales of Goods and Services	2018 $'000	2017 $'000
Electricity and Green Products	4,202	4,249
	4,202	**4,249**

F5. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

During 2017-18, the Corporation did not pay any compensation directly to its key management personnel (Nil in 2016-17).

In 2017-18, the Corporation incurred $0.0 million in respect of the Key Management Personnel services that were provided by Property NSW (In 2016-17, $0.0 million by the Department of Finance, Services and Innovation and $0.0 million by Property NSW).

(b) Transactions and Outstanding Balances with other Related Parties

During 2017-18, the Corporation did not enter into other transactions with Key Management Personnel, their close family members and controlled or jointly controlled entities thereof.

(c) Transactions and Outstanding Balances with other Government Entities

During 2017-18, the Corporation entered into transactions with other entities that are controlled/jointly controlled/ significantly influenced by the NSW Government. These transactions are collectively, but not individually, a significant portion of the Corporation's rendering of services.

In 2017-18, the following individually significant transactions were entered by the Corporation with other government entities:

Name	Nature of Transaction	Transaction Value $'000	Net Receivable/ (Payable) $'000
			-
			-
Total Individually Significant Transactions		-	-

F6. ECONOMIC DEPENDENCY

The Corporation ceased Landfilling operations August 2017. The main source of funds for the Corporation is interest received from the Rehabilitation Funds and Gas Revenue. The Corporation assesses the Cash requirements on an annual basis and alters the Rehabilitation provision accordingly

F7. EVENTS AFTER THE REPORTING PERIOD

No other matters or circumstances are known which may affect the operation of the Corporation in future financial years.

End of Audited Financial Statements